

REMARKS

Claims 64-128 were objected to in the event of allowance of claims 1-63 as being substantial duplicates. Applicant has reviewed this matter with the Examiner and agrees. Accordingly, this amendment cancels claims 64-128. The Applicant thanks the Examiner for noticing this deficiency.

Claims 1-155 Were Rejected Under 35 U.S.C. 103(a)

The Office Action rejected Claims 1-155 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,491,629 to Fox et al. (Fox) taken in view of Official Notice. As a preliminary matter, Applicant respectfully objects to the form of the rejection. When a reference must be modified both a reference suggesting the modification and a reason for combining the references must be cited. As the U.S. Court of Appeals Federal Circuit, stated in *In re Newell* (13 USPQ2d 1248):

“The determination of whether a novel structure is or is not ‘obvious’ requires cognizance of the properties of that structure and the problem which it solves, viewed in light of the teachings of the prior art”

The *Newell* Court went on to explain that the reference must include a suggestion that the element found in the reference might provide some advantage in the context of the present invention. The mere fact that an advantage is inherent in the use was not deemed sufficient to motivate the combination. Here as in *Newell*, the Office Action suggests that the combination is obvious because it is useful. As in *Newell*, the mere presence of such usefulness is insufficient to justify the combination. Based upon the aforementioned, the Applicant respectfully requests that the Examiner either provide a reference describing how Fox must be modified to make obvious claims 1-155, or withdraw this grounds for rejection of Claims 1-155. For this reason alone the rejection fails and Applicant respectfully submits that Claims 1-155 are allowable over Fox and requests such allowance.

Fox is a computer-based Executive Information System (EIS) system for determining the impact of weather and other external and internal factors on the retail industry. Utilizing a multiple regression correlation technique in a predictive model, a correlation of weather variables with store information for specific locations and times is performed to quantify a weather impact model in terms of unit or dollar sales volume change, or any other commercially useful benchmark. The EIS system determines these relationships with location and time specificity. Using the relationship between historical weather and historical sales, the EIS system “deweatherizes” the historical weather to create a normalized historical sales relative to weather

based upon normal weather (the 30-year average). This deweatherized data may be used in conjunction with a user-provided managerial plan to produce a revised managerial plan. Alternatively, the revised plan can be "weatherized" by the EIS system by applying forecasted weather to the weather impact model to generate a weather-modified managerial plan.

The claimed invention has nothing with the disclosure of Fox. It does not pertain to weather and the effect of weather on retail sales. The claimed invention as set forth in claim 1 includes:

A method using a computer system, which includes a datamart with internal data from one or more data sources and external data from one or more data sources, and a plurality of software modules, the method automatically invoking one or more software modules as a response to one or more internal events and/or external events that affect or potentially affect business operations associated with procurement, sourcing, and/or strategic sourcing of one or more items in an enterprise, and comprising the steps of:

extracting, via one or more software modules, first information regarding one or more internal events from one or more data sources and/or one or more external events from one or more data sources, wherein the first information is potentially relevant to the business operations associated with the procurement, sourcing, and/or strategic sourcing of the one or more items in the enterprise;

loading the first information into the datamart;

determining, via one or more software modules, relevance of the first information to the business operations associated with the procurement, sourcing, and/or strategic sourcing of the one or more items in the enterprise;

analyzing, via one or more software modules, an impact of the first information on the business operations associated with the procurement, sourcing, and/or strategic sourcing of the one or more items in the enterprise;

invoking one or more software modules to provide actions to resolve the impact of the first information on the business operations in the enterprise regarding the procurement, sourcing, and/or strategic sourcing of the one or more items; and

triggering automatically one or more software modules to alert the user that one or more software modules are acting to resolve the impact of the first information on the business operations in the enterprise regarding the procurement, sourcing, and/or strategic sourcing of the one or more items.

A key word search of Fox fails to show such vital terms of the claim as "datamart," "procurement," "sourcing," and "strategic sourcing." The Office Action does not even attempt to explain where the claimed steps are found in Fox but only quotes unrelated process steps in the specification and figures of Fox. For example, in the most recent case on the combination of references without adequate foundation the Federal Circuit has recently commented on this practice. The case is *In re Lee*, 61 USPQ2d 1430 (CA FC 2002), citing, *In re Zurko* 59 USPQ2d 1693 (Fed. Cir. 2001) as the Federal Circuit stated in, *In Re Lee (ibid)*:

When patentability turns on the question of obviousness, the search for and analysis of the prior art includes evidence relevant to the finding of whether there is a teaching, motivation, or suggestion to select and combine the references relied on as evidence of obviousness. See, e.g., *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351-52, 60 USPQ2d 1001, 1008(Fed. Cir. 2001) (“the central question is whether there is reason to combine [the] references,” a question of fact drawing on the Graham factors). “The factual inquiry whether to combine references must be thorough and searching.” Id. It must be based on objective evidence of record. This precedent has been reinforced in myriad decisions, and cannot be dispensed with. See, e.g., *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 USPQ2d 1456, 1459 (Fed. Cir. 2000) (“a showing of a suggestion, teaching, or motivation to combine the prior art references is an ‘essential component of an obviousness holding’”) (quoting *C.R. Bard, Inc., v. M3 Systems, Inc.*, 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232(Fed. Cir. 1998)); *In re Dembicza*, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617(Fed. Cir. 1999) (“Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.”); *In re Dance*, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637(Fed. Cir. 1998) (there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant); *In re Fine*, 837 F.2d 1071, 1075, 5 USPQ2d 1596, 1600(Fed. Cir. 1988) (“teachings of references can be combined only if there is some suggestion or incentive to do so.”) (emphasis in original) (quoting *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577, 221 USPQ 929, 933(Fed. Cir. 1984)). The need for specificity pervades this authority. See, e.g., *In re Kotzab*, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317(Fed. Cir. 2000) (“particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed”); *In re Rouffet*, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459(Fed. Cir. 1998) (“even when the level of skill in the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination.

In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious.”); *In re Fritch*, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1783(Fed. Cir. 1992) (the examiner can satisfy the burden of showing obviousness of the combination “only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references”).[2] With respect to Lee’s application, neither the examiner nor the Board adequately supported the selection and combination of the Nortrup and Thunderchopper references to render obvious that which Lee described. The examiner’s conclusory statements that “the demonstration mode is just a programmable feature which can be used in many different device[s] for providing automatic introduction by adding the proper programming software” and that “another motivation would be that the automatic demonstration mode is user friendly and it functions as a tutorial” do not adequately address the issue of motivation to combine. This factual question of motivation is material to patentability, and could not be resolved on subjective belief and unknown authority. It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to “[use] that which the

inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983).

These, and other statements of the Court clearly establish that there is an absolute requirement for "teaching, motivation, or suggestion to select and combine the references," that cannot be replaced by subjective observations in an Office Action. In contrast, the Office Action states that:

"It would have been obvious to a person of average skill in the art at the time the invention was made to modify the system of Fox et al. So that when the EIS system performs managerial applications without the interaction with the user the user is notified of the application as taught by Official Notice in order to allow the user to override the application if it is improper."

The statement that the combination is desirable and is an improvement does not show that the combination was taught, motivated, or suggested by the references, and if desirability or improvement was sufficient to show that a combination was obvious, then any combination of existing elements having utility would be open to obviousness rejections, which is a category nearly all inventions fall into. *In re Lee*, 61 USPQ2d 1430 (CA FC 2002), citing *In re Zurko* 59 USPQ 2d 1693 (Fed. Cir. 2001) where the Federal Circuit reversed the Board of Appeals upholding of a rejection, where the rejection was based upon the "basic knowledge" or "common sense" of a person of ordinary skill in the art. Specifically, the Court held:

This court explained in *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697, that "deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.' The Board's findings must extend to all material facts and must be documented on the record, lest the "haze of so-called expertise" acquire insulation from accountability. "Common knowledge and common sense," even if assumed to derive from the agency's expertise, do not substitute for authority when the law requires authority. See *Allentown Mack*, 522 U.S. at 376 ("Because reasoned decisionmaking demands it, and because the systemic consequences of any other approach are unacceptable, the Board must be required to apply in fact the clearly understood legal standards that it enunciates in principle")

The case on which the Board relies for its departure from precedent, *In re Bozek*, 416 F.2d 1385, 163 USPQ 545 (CCPA 1969), indeed mentions "common knowledge and common sense," the CCPA stating that the phrase was used by the Solicitor to support the Board's conclusion of obviousness based on evidence in the prior art. *Bozek* did not hold that common knowledge and common sense are a substitute for evidence, but only that they may be applied to analysis of the evidence. *Bozek* did not hold that objective analysis, proper authority, and reasoned findings can be omitted from Board decisions. Nor does *Bozek*, after thirty-two years of isolation, outweigh the dozens of rulings of the Federal Circuit and the Court of Customs and Patent Appeals that determination of patentability must be based on evidence. This court has remarked, in *Smiths Industries*

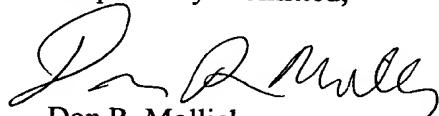
Medical Systems, Inc. v. Vital Signs, Inc., 183 F.3d 1347, 1356, 51 USPQ2d 1415, 1421(Fed. Cir. 1999), that Bozek's reference to common knowledge "does not in and of itself make it so" absent evidence of such knowledge.

In the absence of references supporting the combination, the Applicant is denied, for example, the opportunity to show that the references teach against the present invention. Therefore, because the Office Action does not provide a reference which specifically teaches, suggests, or motivates the combination of the cited teachings of Fox, with any reference, the Applicant believes that the combination is not supported, and respectfully requests that either supporting references be provided or that all of the rejections relying on this combination of Fox with Official Notice be withdrawn.

CONCLUSION

Claims 1-63 and 129-156 are in the same condition as filed. The Applicant further respectfully asserts, based upon the preceding remarks, that the presently claimed invention is patentably distinct from the cited references. Therefore, reconsideration of the present application in light of the foregoing amendment and these remarks is respectfully requested. *The Examiner is further cordially invited to telephone the undersigned for any reason which would advance pending claims to allowance.*

Respectfully submitted,



Don R. Mollick
Reg. No. 28,972

DRM/taa/rm
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LARIVIERE GRUBMAN & PAYNE, LLP
P.O. Box 3140
Monterey, CA 93942
(831) 649-8800